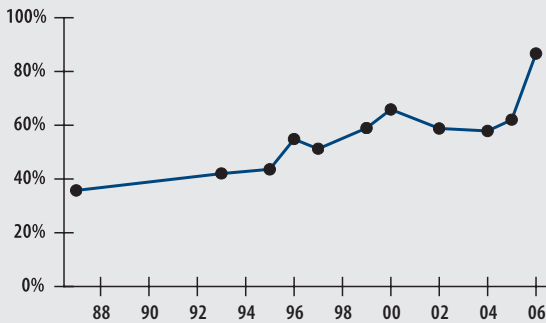
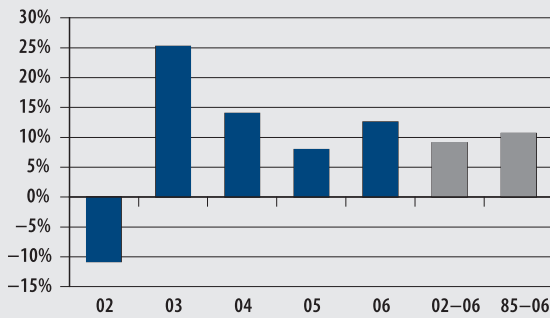


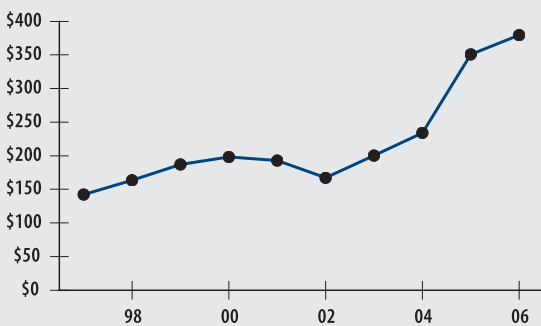
► **Funded Ratio (1987-2006)**



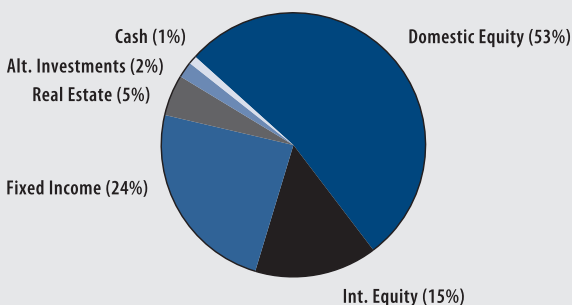
► **Investment Return (2002-2006, 5 Year and 22 Year Averages)**



► **Asset Growth (1997-2006) (Market Value in Millions)**



► **Asset Allocation (12/31/06)**



► **ACTUARIAL**

• Funded Ratio	86.7%
• Date of Last Valuation	01/06
• Actuary	Buck
• Assumed Rate of Return	8.00%
• Funding Schedule	2.5% Increasing
• Year Fully Funded	2020
• Unfunded Liability	\$53.2 M
• Total Pension Appropriation (Fiscal 2007)	\$10.3 M

	Active	Retired
• Number of Members	1,857	1,220
• Total Payroll/Benefit	\$69.9 M	\$25.5 M
• Average Salary/Benefit	\$37,600	\$20,900
• Average Age	NA	73
• Average Service	NA	NA

► **INVESTMENT**

**Domestic Equity**

- Aeltus Investment Management
- Boston Company Asset Management
- Earnest Partners, LLC
- ICON Advisers, Inc.
- Independence Investment, LLC
- Wellington Trust Co-CIF Mid Cap Growth Portfolio
- Voyaguer Asset Management Inc.

**International Equity**

- Acadian International Small Cap Fund, LLC
- Boston Company Emerging Markets Pooled Fund
- Voyaguer International Fund

**Domestic Fixed Income**

- Loomis, Sayles & Company, L.P.
- Voyaguer Asset Management Inc.

**International Fixed Income**

- Delaware Pooled Trust International Fixed Income Portfolio
- Lazard Emerging Income Fund

**Real Estate**

- Arsenal Real Estate Fund IA, L.P.
- BlackRock Apartment Value Fund II & III, L.P.
- Duff & Phelps Real Estate Securities Trust
- Intercontinental Real Estate Investment Fund IV, LLC
- New Boston Institutional Fund, L.P. VI

- SSgA Tuckman-Residential Income and Value-Added (RIVA) Fund
- TA Realty Associates Fund VI

**Alternative Investments**

- Ascent Venture Partners II, III, IV L.P.
- Boston Capital Ventures II & III
- Charlesbank Equity Fund V
- First America Asia Fund I LLC
- HealthPoint Partners, L.P.
- INVESCO Non-U.S. Partnership Fund III, L.P.
- Levine Leichtman Capital Partners Deep Value Fund, L.P.
- New England Growth Fund II, L.P.

**Commission Recapture**

- Abel Noser Corporation
- Capital Institutional Services
- Donaldson & Company
- Fleet Institutional Trading
- Lynch, Jones & Ryan
- Merrill Lynch
- Trading Partners

**Consultant**

- Evaluation Associates, LLC

**Custodian**

- State Street

► <b>2006 Return</b>	<b>12.55%</b>
► <b>2006 Target</b>	<b>8.00%</b>
► <b>2006 Market Value</b>	<b>\$379.4 M</b>
► <b>2002-2006 (Annualized)</b>	<b>9.11%</b>
► <b>1985-2006 (Annualized)</b>	<b>10.63%</b>